(b) if so, by when the issues are likely to be sorted out;

(c) whether Hotel Ashok, New Delhi and Hotel Janpath have been taken out of disinvestment basket; and

(d) if so, the reasons therefor?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) No, Sir.

(b) Does not arise in view of reply to (a) above.

(c) and (d) Hotel Ashok and Hotel Janpath, New Delhi have at present been excluded from the disinvestment process pending formulation of fresh proposals by the Ministry of Tourism and Culture. As regards Hotel Janpath, the Ministry of Tourism and Culture proposes to utilise the hotel to establish Bharat Paryatan Bhavan.

Employees' participation in bidding for companies

1925. SHRI K. B. KRISHNA MURTHY: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether honouring the special rights of workers over the stakes of their companies. Government propose to offer incentives to employees' associations bidding for the stakes of their own company;

(b) whether this concept will be put into practice in any of the forthcoming investment bids; and

(c) whether Government had earlier rejected the bid of Pilots Guild for Air India stakes but now considering favourably the bid of employees of Engineers India Ltd. which is to be taken up for disinvestment soon?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) No, Sir. But workers are welcome to bid provided they fulfil the qualification criteria.

(b) Does not arise.

(c) The Expression of Interest of the Pilots' Guild of Air India for acquiring the shares of Air India was rejected as the Guild did not fulfil the prescribed minimum net worth criteria. The Engineers India Ltd. Officers Association, which had submitted the Expression of Interest for acquiring

stake in Engineers India Ltd., has withdrawn from the disinvestment process of Engineers India Ltd.

Assessment of equity of PSUs to be disinvested

†1926. SHRI P. K. MAHESHWARI: Will the Minister of DISINVESTMENT be pleased to state:

(a) the basis on which Government assess the equity of Public Sector Undertakings meant for disinvestment while taking decision on their disinvestment;

(b) whether it is a fact that Government are assessing the equity of an undertaking meant for disinvestment on the basis of the dividend earned by it, whereas the assessment should be made on the basis of assessment made by market;

(c) if so, whether there is resentment among the officers of Public Sector Undertakings due to improper assessment of the PSUs; and

(d) if so, Government's reaction thereto?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Based on the recommendations of the Disinvestment Commission and in keeping with the best market practices, the following four methodologies are being used for valuation of PSUs:—

(i) Discounted Cash Flow (DCF) Method

(ii) Balance Sheet Method

(iii) Transaction Multiple Method

(iv) Asset Valuation Method

While the first three are business valuation methodologies generally used for valuation of a going concern, the last methodology typically would be relevant only for valuation of assets in case of liquidation of a company.

(b) No, Sir.

(c) and (d) Do not arise.

†Original notice of the question was received in Hindi.